

EFTA States sign a Comprehensive Economic Partnership Agreement with Ecuador



Pablo Campana Sáenz, Minister for Foreign Trade, Ecuador; Aurelia Frick, Minister for Foreign Affairs, Liechtenstein; Guðlaugur Þór Þórðarson, (Chair) Minister for Foreign Affairs and External Trade, Iceland; Torbjørn Røe Isaksen, Minister of Trade and Industry, Norway; Johann N. Schneider-Ammann, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research, Switzerland; Kristinn F. Árnason, Secretary-General, EFTA Secretariat

Ministers of the Member States of the European Free Trade Association (EFTA) – Iceland, Liechtenstein, Norway and Switzerland – and of Ecuador signed a Comprehensive Economic Partnership Agreement (CEPA) today in Sauðárkrúkur, Iceland two years after the launch of negotiations. This Agreement is EFTA's sixth Agreement in Latin America and will provide all Parties with further opportunities for growth and strengthen the ties between Ecuador and the EFTA countries.

"The negotiations have from the start been conducted in a very cooperative, effective and constructive manner. The fact that we have been able to conclude a very comprehensive Agreement in only five rounds is both a testimony to the political investment on both sides as well as the professionalism and dedication of our negotiators. This Agreement covers all areas of a modern free trade Agreement and the EFTA States are confident that it will be a solid basis for increased trade and investment between the Parties. We are convinced that this Agreement will create additional business opportunities for economic

operators both in Ecuador and in the EFTA States," said Guðlaugur Þór Þórðarson, Iceland's Foreign Minister, as Chair of the EFTA States.

The EFTA-Ecuador CEPA was signed by Mr Pablo Campana Sáenz, Minister for Foreign Trade of Ecuador, and, on the EFTA side, by Mr Guðlaugur Þór Þórðarson, Minister for Foreign Affairs and External Trade of Iceland and Chair of the EFTA Council at Ministerial Level, as well as by Ms Aurelia C.K. Frick, Minister for Foreign Affairs, Justice and Culture of Liechtenstein, Mr Torbjørn Røe Isaksen, Minister of Trade and Industry of Norway and Mr Johann N. Schneider-Ammann, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research of Switzerland .

Building on a Joint Declaration on Cooperation signed by the EFTA States and Ecuador in Schaan, Liechtenstein on 22 June 2015, the negotiations on a Comprehensive Economic Partnership Agreement between the EFTA States and Ecuador were launched on 27 June 2016 at the EFTA Ministerial meeting in Bern, Switzerland. Negotiations started in November 2016 and were finalised in the first half of 2018.

The EFTA-Ecuador CEPA has a comprehensive coverage, comprising trade in goods (including sanitary and phytosanitary measures, technical barriers to trade, trade remedies, rules of origin and trade facilitation), trade in services, establishment (investment), intellectual property rights, government procurement, competition, trade and sustainable development and cooperation. A Joint Committee will oversee the implementation of the Agreement. The Agreement will enter into force after completion of the necessary internal procedures for ratification by the Parties.

The Ministers of Ecuador and the EFTA States noted the close and significant economic relations between both sides and they underlined that the signing of the Agreement represented a landmark for further strengthening this relationship. The preferential market access and the rules and disciplines governing the economic relations between the Parties under the CEPA will provide a strong stimulus for the further development of trade and investment by creating new opportunities for economic actors of both sides.

Economic relations between the EFTA States and Ecuador

Merchandise trade between the EFTA States and Ecuador reached USD 245 million in 2017. EFTA's top exports to Ecuador include pharmaceutical products, chemicals, machinery and mechanical appliances. EFTA's imports from Ecuador are mainly fruits, cocoa, cut flowers and precious metals. Pharmaceuticals represent almost 60% of EFTA's exports to Ecuador, while fruits represent more than 40% of Ecuador's exports to EFTA. The stock of foreign direct investment in Ecuador's economy originating from the EFTA States reached USD 304 million in 2016.

EFTA as a trade partner

With a combined population of 13 million and a combined GDP of more than USD 1 trillion, the EFTA States are the world's ninth largest merchandise trader and the fifth largest trader in commercial services, as well as significant actors in the area of foreign direct investment. In addition to the European Economic Area (EEA) and the Swiss-EU bilateral agreements, the EFTA States today have 28 concluded free trade agreements (FTAs) with a total of 39 partner countries worldwide.